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THE NEW REPUBLIC
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White House watch Carter's Oversight

President Carter seems to have been singularly unprepared to deal with one of his most important responsibilities, the control and management of foreign intelligence procedures, when he took office. Ford White House assistants who knew from experience how tricky and troublesome this area of presidential concern could be urged incoming Carter assistants Hamilton Jordan, Jack Watson and Robert Lipshutz, among others, to pay serious attention to it and to have plans for handling it well in hand by inauguration day. Excepting the National Security Council, which in theory is at the top of the intelligence heap but in practice is part of the problem rather than the place for keeping the problem from becoming critical, the Carter people all but ignored the existing White House arrangements for watching the watchers on the President's behalf and had just about everything to learn about the subject after January 20. For example, they rejected advice that they establish close liaison during the post-election transition with the President's Foreign Intelligence Advisory Board and the Intelligence Oversight Board, a tiny but vital control unit which the new President in March cited with relief and approval in support of his assertion that there had been nothing illegal or improper in secret CIA subsidies to officials of friendly foreign governments.

The *Washington Post's* disclosure that the CIA had spent millions of dollars in personal payoffs to King Hussein of Jordan over the whole of his reign and was still paying him \$750,000 a year appeared on the day that Secretary of State Cyrus Vance arrived in Amman to discuss moves toward a Middle East settlement with Hussein. President Carter and his press secretary, Jody Powell, avoided direct criticism of the *Post* and Powell went so far as to say that its reporter, Bob Woodward of Watergate fame, and its executive editor, Benjamin Bradlee, had behaved "very responsibly" in consulting with and forewarning the President before the story was published. Mr. Carter made his sense of outrage and frustration plain to congressmen with whom he discussed the report and with his statement on February 23 that "It can be extremely damaging to our relationship with other nations, to the potential security of our country even in peacetime, for these kind of operations, which are legitimate and proper, to be revealed." The *Post* gave the impression that the IOB had found the Hussein payments improper and that President Ford had ignored the finding in letting the payments continue. As clearly as he could without specifically confirming that Hussein had been paid, President Carter indicated that he'd reviewed the entire IOB and CIA record of these and similar payments and had found nothing wrong with them.

Nevertheless he stopped the payments to Hussein, presumably because continuing them after they were disclosed could only compound Hussein's embarrassment and any harm the revelation may have done him in the Arab world.

An incidental effect of the Hussein rumpus was to settle one of many doubts about what the new President intends to do with the White House supervisory setup that he inherited. His fourth reference in two press conferences to the IOB indicated that he expects to retain it as an entity, whether or not he keeps its present members: its chairman, retired and aging (at 82) career Ambassador Robert D. Murphy; former Secretary of the Army Stephen Ailes; and Leo Cherne, one of the country's leading business consultants and chairman of the Foreign Intelligence Advisory Board. He could hardly be planning to abolish a board of which he said on March 9: "And we've got a very good arrangement that was primarily set up by President Ford to prevent abuses. The Intelligence Oversight Board is made up of three distinguished men appointed by President Ford. They have complete access to any operation conducted by the intelligence forces."

The board's functions are to receive and review any complaints of illegal or improper intelligence agency behavior that may come to it, with emphasis upon complaints from officials or employees of intelligence agencies; to review agency guidelines and practices; to report its findings regularly to the President and the Attorney General; and to report immediately and directly to the President any finding or suspicion of illegality or impropriety. From what is known of the IOB's procedure since it and the elaborate system of executive oversight of which it is a part were established by presidential order 11905 on February 18, 1976, and from a few bits of information, one may deduce part of what happened in the Hussein affair.

Somebody at the CIA—it could have been the agency's general counsel or inspector general, or an individual employee—reported that Hussein payoffs to the IOB. It demanded and got all of the available and relevant CIA documentation. President Ford's tough executive order and his personal admonitions to all intelligence agency heads, in this case to Director George Bush, would have made it professionally suicidal for anyone to withhold anything. After reviewing the whole affair the board put its findings in a letter signed by Chairman Murphy and hand-delivered to Counsellor John Marsh, the assistant who oversaw all White House communication in intelligence matters with the agencies and with Congress. Marsh took the letter to Ford and they discussed it. Carter's statements affirm in effect that the board found payments as such, though there is some indication that IOB thought the CIA wrongly withheld knowledge of the payments

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Symbols and Reality

IN THE NATION

By Tom Wicker

WASHINGTON, Feb. 3—President Carter gave a quietly effective campaign speech from the White House fireside, promising action, candor and togetherness. Once in, as in his walk down Pennsylvania Avenue, he managed to symbolize—by the apparent informality of the occasion and the sweater he wore—his intention to remain in touch with his constituency and aware of its moods.

The sweater was a nearly perfect touch. Who isn't wearing one these days? The fireplace not only evoked F.D.R. but suggested the White House might be short on natural gas, like a lot of other American homes. With Amy in public school, the White House staff hailing taxis, and the promise of Government regulations written in "plain English," Mr. Carter is showing how well he understands public discontent at the distance and insensitivity of government.

Beyond its adroit use of symbols and images, however, the Carter Administration is running into some cold realities. Another fight seems to be brewing on Capitol Hill, for example, this one on the nomination of Paul Warnke to be the Administration's chief arms control negotiator and the administrator of the Disarmament Agency in the State Department.

The reality is not just that there is opposition to Mr. Warnke—as, say, there was to Griffin Bell—but that the opponents of Mr. Warnke really are opposed to any but the most limited arms control agreements. Since continuing the negotiations for a nuclear arms accord with the Soviet Union is one of Mr. Carter's highest priorities, the Warnke fight clearly signals trouble ahead on the issue itself.

More immediately, the Warnke confirmation battle is being complicated by echoes of the Senate's unwillingness to confirm Theodore Sorensen as

Director of the C.I.A. Mr. Sorensen was done in almost at the last minute by the sudden circulation of an affidavit he had written years ago that made him appear to be unreliable in handling classified documents. Now an unsigned memo, alleging that Mr. Warnke favors unilateral disarmament, is traveling around the Senate.

Mr. Carter is widely believed in Congress to have given Mr. Sorensen little support in the crunch. Unless he now goes to bat for Paul Warnke and pushes the nomination through, the so-called "hard-liners" on arms control, the defense budget and other security issues will be encouraged to believe they can push the President around. The situation wasn't helped when Hamilton Jordan, Mr. Carter's top assistant, said that Enno H. Knoche, the Acting Director of the C.I.A. since Mr. Sorensen's withdrawal, might get the job permanently. Mr. Knoche is a C.I.A. veteran, not the promised "outsider" that Ted Sorensen was.

Over on the other side of the Capitol, moreover, the Ways and Means Committee appears ready to impose its own job-creation plan on Mr. Carter's \$31 billion economic stimulus proposals. The committee would allow an employer to take a 20 to 25 percent tax credit against the first \$4,200 in wages of every employee added in 1977 to the number employed in 1976. The same credit would be available in 1978 for employees added to the number on the payroll in 1977.

This idea has the virtue of being aimed directly at job creation rather

than general economic stimulus, a costly and uncertain way to add new jobs to the economy. It would be substituted, however, not only for the 2 percent increase in the investment credit that Mr. Carter wanted, but also for his only really innovative proposal—a 4 percent credit for businesses against Social Security payroll taxes. Unlike the committee's alternative plan, the payroll credit would lower wage costs, helping to hold down prices, even for employers unable to hire workers in 1977.

Whatever happens to these tax proposals, the most immediate and certain effect of the Carter stimulus plan will come from the quadrupled public service jobs program being pulled together by Secretary of Labor Ray Marshall—with 600,000 new jobs hoped for this year and 725,000 more next year, together with a million new job-training slots in the same period.

Already, Mr. Marshall has agreements with the new Secretaries of Agriculture and Interior to put perhaps 40,000 to 50,000 jobless persons to useful work at necessary maintenance in the national parks and forests. He expects soon to have another such program for the "winterizing" of houses—thus cutting unemployment, fuel consumption and heating bills. And he's talking with the Secretary of Transportation about putting the jobless to work on deteriorating railway roadbeds.

Mr. Marshall is confident that by concentrating public service employment on "things that can be done quickly" and on "things that relate to other national goals"—like maintaining the national parks—he can put hundreds of thousands of people to work, at low cost to the public, and with great long-term benefits to the economy. His ideas are worth discussion in another article.

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Carter Says He'll Name Warnke to Arms Panel

By Edward Walsh

Washington Post Staff Writer

President Carter announced yesterday that he will nominate former Assistant Defense Secretary Paul C. Warnke to be director of the Arms Control and Disarmament Agency and the United States' special negotiator at the Strategic Arms Limitations Talks (SALT).

Carter also announced that he will name Washington lawyer Clifford L. Alexander Jr. to be Secretary of the Army. Alexander, 43, an unsuccessful candidate for mayor of the District of Columbia, would be the first black to head the Army.

Meanwhile, one of the President's top advisers suggested that Carter may name acting Central Intelligence Agency Director E. Henry Knoche as the permanent head of the agency.

Hamilton Jordan, who is directing the administration's search for high-level appointees, said the elevation of Knoche as permanent director is one option that Carter is considering since

the withdrawal under congressional pressure of his first choice for the job, former Kennedy administration White House aide Theodore C. Sorensen.

Carter has "a lot of confidence" in Knoche and will likely take his time, perhaps as much as three or four more weeks, before choosing a new CIA director, Jordan said.

The nomination of Warnke could be as controversial as Sorensen's, who withdrew his name from consideration after the administration encountered heavy opposition to him on the Senate Intelligence Committee.

Warnke's nomination has already drawn fire from some members of the Senate Armed Service Committee who are expected to question him closely about past remarks he has made about the limited influence of nuclear weapons.

Assistant Senate Majority Leader Alan Cranston (D-Calif.) said he has urged Jordan and Secretary of State Cyrus R. Vance in separate phone

calls to hurry the nomination of Warnke. Cranston said he saw a "substantial majority" for Warnke in the Senate Foreign Relations Committee but a minority base of support in the Senate Armed Services Committee.

Foreign Relations is the committee responsible for conducting the confirmation hearings and making a recommendation to the Senate. But several Armed Services Committee members, including Sam Nunn (D-Ga.) and Henry M. Jackson (D-Wash.), have called for separate hearings on the nomination. Such a hearing could provide an influential forum for opposition to Warnke.

Warnke, 57, served as the Defense Department's general counsel and from 1967 to 1969 as assistant secretary of defense for international affairs. He is now a senior partner in the Washington law firm headed by former Defense Secretary Clark Clifford.

Although he was not discussing the Warnke nomination specifically, Jordan told a breakfast meeting of reporters that Carter's failure to secure Sorensen's nomination in the face of opposition should not be interpreted as a sign that the President will back down on future appointments.

Insisting that Carter was prepared to fight for the Sorensen nomination until Sorensen decided to give up, Jordan said:

"When a President is not willing to fight, he should withdraw the nomination. We were ready to fight. People who think he shies away from a fight or a confrontation are misreading him."

Despite the experience with Sorensen, Jordan said Carter will not poll Senate committee members before making future controversial appointments. To do so, he said, "would be a sign of weakness."

Jordan said "most decisions" on sub-Cabinet appointments have been made but that many of the announcements have been delayed for background checks by the FBI and other agencies.

He also said that it may be "several months" before a successor to FBI Director Clarence M. Kelly is selected by Attorney General Griffin B. Bell.

Washington Post staff writer George C. Wilson contributed to this article.

Acting CIA Director Knoche May Become Permanent Chief

By Fred Barnes

Washington Star Staff Writer

President Carter may elevate the acting head of the Central Intelligence Agency, H. Enno Knoche, to be permanent head of the agency, a top White House official said today.

Hamilton Jordan, who managed Carter's election campaign and now is assistant to the President, said Carter has "a lot of confidence" in Knoche.

Knoche took over as acting CIA director on Jan. 20 with the resignation of George Bush, who was director under President Ford, and after Carter's choice for the post, Theodore C. Sorensen, withdrew his name from consideration in view of the strong opposition to the nomination that developed in the Senate.

JORDAN SAID "it is possible" that Carter might nominate Knoche to be permanent head. "It's certainly an option he has," the aide said.

"He thinks it (the CIA) is in good hands with Mr. Knoche," Jordan added at a breakfast meeting with reporters.

The President feels no pressure to quickly announce a new CIA nominee, Jordan said, especially because of his regard for Knoche's ability to run the agency well in the meantime.

"I don't think it will be months before a new nominee is chosen," Jordan said. "It could be three or four weeks. He's not going to make that decision until he feels he has found the best person to be director of central intelligence."

On Sunday, Carter told reporters that there are "six or seven" people "that I am looking at closely" for the CIA post. Among these, Jordan confirmed, is Thomas L. Hughes, president of the Carnegie Endowment for International Peace and a former

intelligence chief at the State Department.

Hughes' name has been suggested by several people, Jordan said. Hughes was also on the "original list" of candidates for appointment to any of a number of positions in the foreign policy field, the White House aide said.

ANOTHER NAME that has been mentioned in press speculation is that of former White House press secretary Bill Moyers. But Jordan

said Moyers has not gotten beyond the first stage, where Carter decides whom he wants to consider.

Neither Carter nor White House aides have discussed the CIA job with Moyers, so they don't know whether he has any desire for that position. "If he wanted to be considered, I think he would be a serious candidate," Jordan said.

Concerning another appointment, Jordan confirmed that Carter plans to nominate Washington attorney

Paul Warnke as head of the Arms Control and Disarmament Agency and as chief U.S. negotiator in the strategic arms limitation talks with the Soviet Union.

Though Warnke's dovish views on defense matters have generated some opposition in the Senate, Jordan said he does not think there will be a major fight over the nomination. "The President is supporting him fully," Jordan said. "We expect him to be confirmed."

As for the Sorensen nomination which was withdrawn, Jordan insisted that Carter was ready to fight for the nomination if Sorensen had chosen to stay in the race. "If Ted had not withdrawn, we would have fought," the aide said.

Carter talked to a number of members of the Senate Intelligence Committee prior to Sorensen's withdrawal, but he will not poll the committee before sending up another nomination, Jordan said. "It would be a sign of weakness for a president to take a straw vote on each appointment," Jordan said.